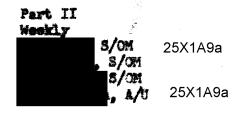
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Parjet 5-147



## Decision of Soviet Party Plenum on Basic Changes in Economic Management

A radical restructuring of Soviet economic administration along regional lines appears imminent, according to recommendations contained in a decision of a party plenum addressed by Khrushchev and reported 14 February. The economic implications of this proposed change are more far-reaching than the drastic administrative reorganization of March 1953.

Stripping capitalist per capita production. He mentioned overfulfillment of the 1956 plan, but emphasized the problem of sharp improvement in industrial planning and management to achieve the 1960 goals. This can be accomplished, he continued, only by a drastic reorganization of the apparatus of economic management.

Thrushchev underlined weaknesses in the present organization of the

economy. The specialized departmental approach of industrial ministries inhibits on-the-spot cooperation between enterprises of various industries, frequently makes it impossible to utilize materials, personnel, and finances expeditiously, and discourages full mobilization of local resources at the producing level. While acknowledging the importance of specialized ministries during the transition of the economy from rehabilitation to extensive industrialization, he indicated the need now for more flexible economic management.

Expension of the economic authority and responsibility of the local producing levels in order to enhance initiative, improve administration and to achieve more efficient utilisation of resources. The leaders reorganized a number of all-union ministries into union-republic, abelished some ministries and have transferred almost 40,000 enterprises from national to republic jurisdiction, and they have taken steps to enlarge the authority of enterprise managers. The leaders have also emphasized the need for

greater cooperation among the producing ministries and their enterprises and have advocated greater specialization of production by individual enterprises.

The Flenum decision, however, discloses the inadequacy of these previous steps. It appears probable that a new economic headquarters within each region will receive broad aministrative powers over economic activities. It is likely, too, that some central ministries may be reorganized or, perhaps, abolished. The decision does not specify whether present republic capitals will be used or whether new administrative agencies will be created to supervise present or restructured economic regions. An article in Planovoye Khozyaystvo (no. 6, 1956) on regionalization, however, suggests that the new regions under consideration may well involve complete redrawing of regional lines and the establishment of entirely new economic headquarters. Existing local government and carty organs may be expected to participate more effectively in coordination, administration, and mobilization of local resources for economic activity.

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Apart from these measures, central planning is to be strenghtened

by further reorganisation and streamlining of the long-term and current

planning agencies. Central management of technological development is to

be accomplished by the creation of an agency to augment the State Technical

Committee. The new agency is to study technological developments in the

USSR and abroad and recommend applications to Soviet industry.

Central control over plan fulfillment is to be sharpened by improving the reporting and reviewing of production statistics and by strengthening the central and regional State Control ministries.

that present managerial methods are inadequate to solve problems of the increasingly intricate and maturing economy. The regime may thus restructure the managerial apparatus more along economic regional lines, and with less concern for political boundaries. The Plenum decision calls upon the Party Central Committee and the Council of Ministers to submit "concrete proposals" for the implementation of the outlined objectives, probably to be announced at the next session of the Supreme Soviet.

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